The Real Estate ANALYST

APRIL 26, 1941

Roy Wenzlick
Editor

A concise easily digested periodic analysis based upon scientific research in real estate fundamentals and trends....Constantly measuring and reporting the basic economic factors responsible for changes in trends and values.....Current Studies.... Surveys....Forecasts

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VOLUME X

REAL ESTATE ECONOMISTS, APPRAISERS AND COUNSELORS

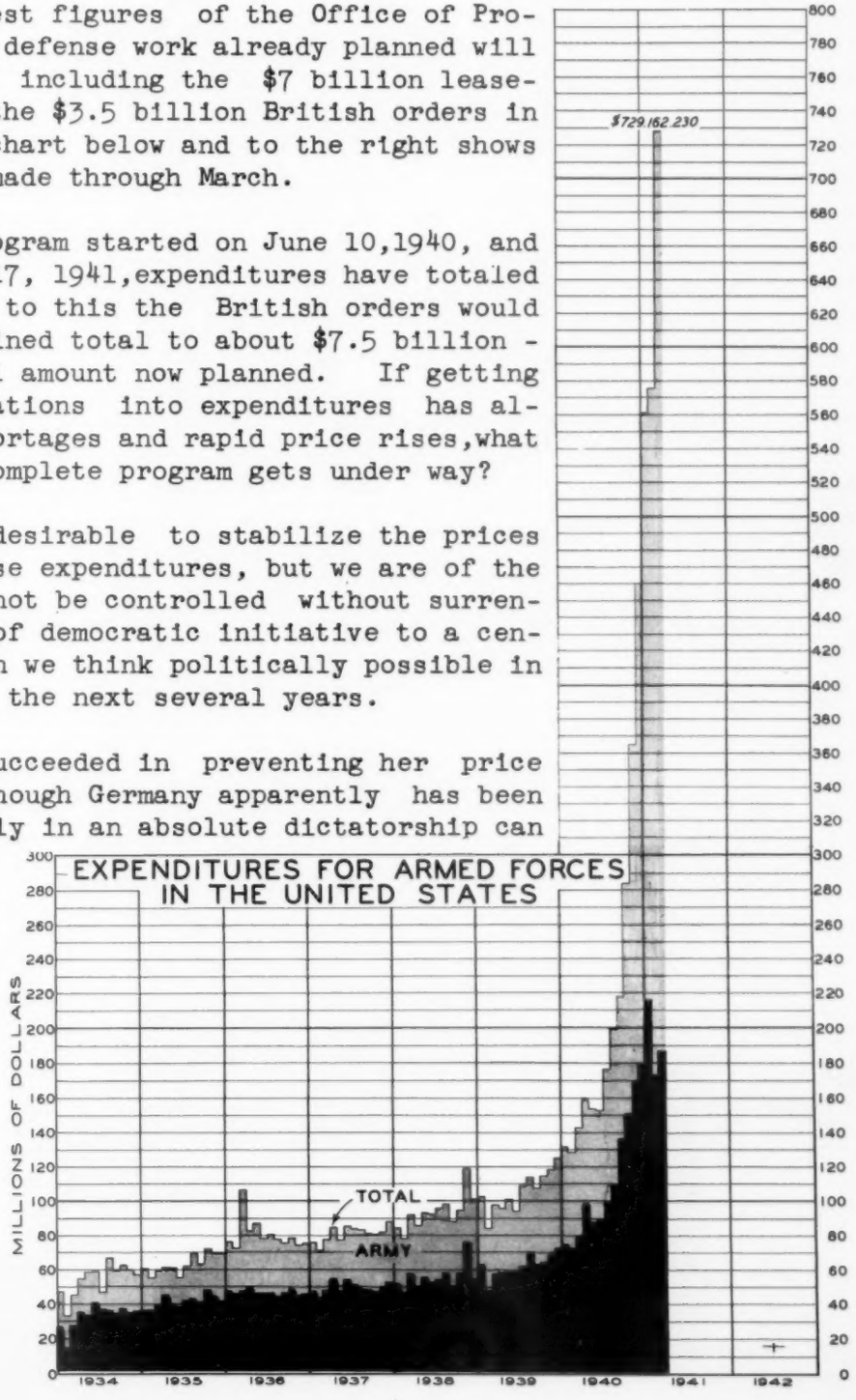
FIVE-SIXTHS OF DEFENSE ACTIVITY IS STILL AHEAD

ACCORDING to the latest figures of the Office of Production Management, defense work already planned will cost $42.7 billion, including the $7 billion lease-lend appropriations and the $3.5 billion British orders in the United States. The chart below and to the right shows the actual expenditures made through March.

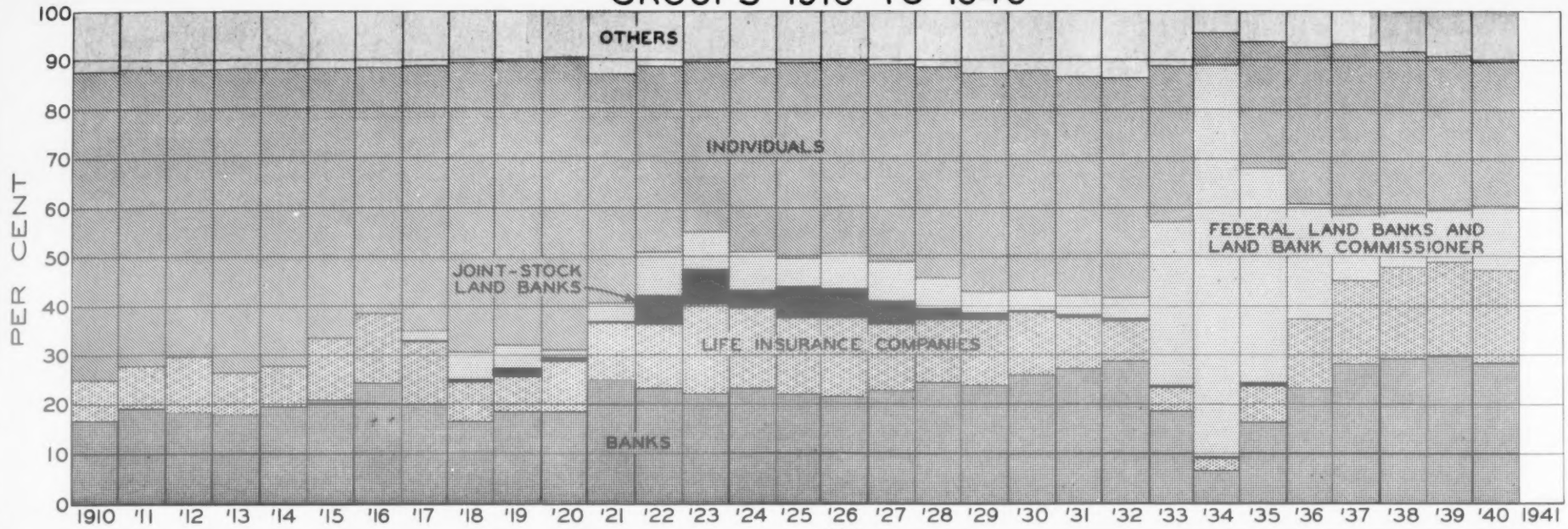
Our real defense program started on June 10,1940, and from that date to April 17, 1941,expenditures have totaled $4,121,507,000. Adding to this the British orders would probably bring the combined total to about $7.5 billion - or about 1/6 of the total amount now planned. If getting 1/6 of the planned operations into expenditures has already developed acute shortages and rapid price rises,what can we expect when the complete program gets under way?

It would be highly desirable to stabilize the prices during the period of these expenditures, but we are of the opinion that prices cannot be controlled without surrendering a greater degree of democratic initiative to a centralized government than we think politically possible in the United States during the next several years.

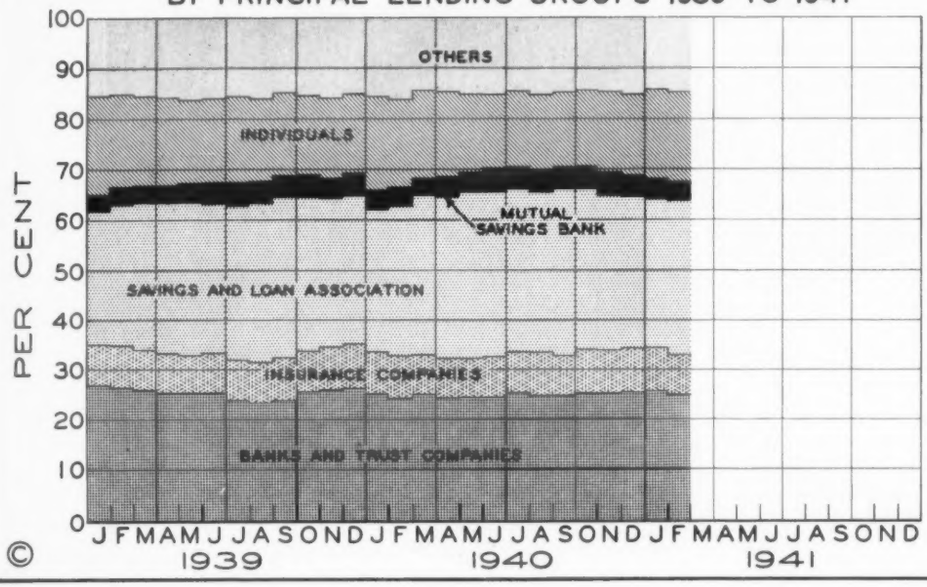
England has not succeeded in preventing her price level from rising, although Germany apparently has been fairly successful. Only in an absolute dictatorship can the price level be controlled during a period in which the sum total of purchasing power being paid out to the public is greater than the volume of purchasable goods being produced. Even the increased taxation planned by the Treasury Department cannot siphon off the surplus earnings fast enough to prevent a demand in excess of the supply of goods.



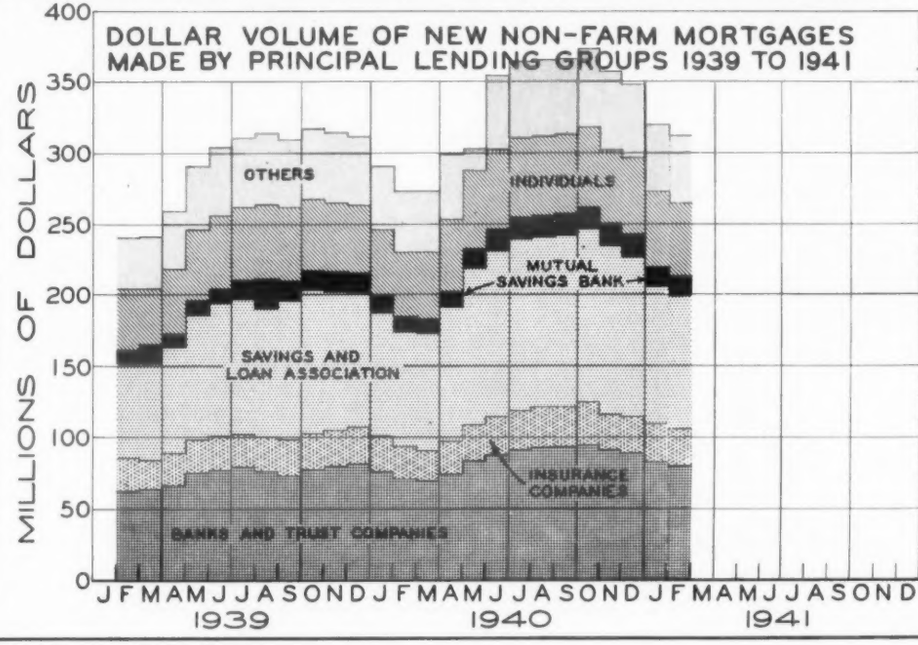
PERCENTAGE OF NEW FARM MORTGAGES MADE BY PRINCIPAL LENDING GROUPS 1910 TO 1940



PERCENTAGE OF NEW NON-FARM MORTGAGES MADE BY PRINCIPAL LENDING GROUPS 1939 TO 1941



DOLLAR VOLUME OF NEW NON-FARM MORTGAGES MADE BY PRINCIPAL LENDING GROUPS 1939 TO 1941



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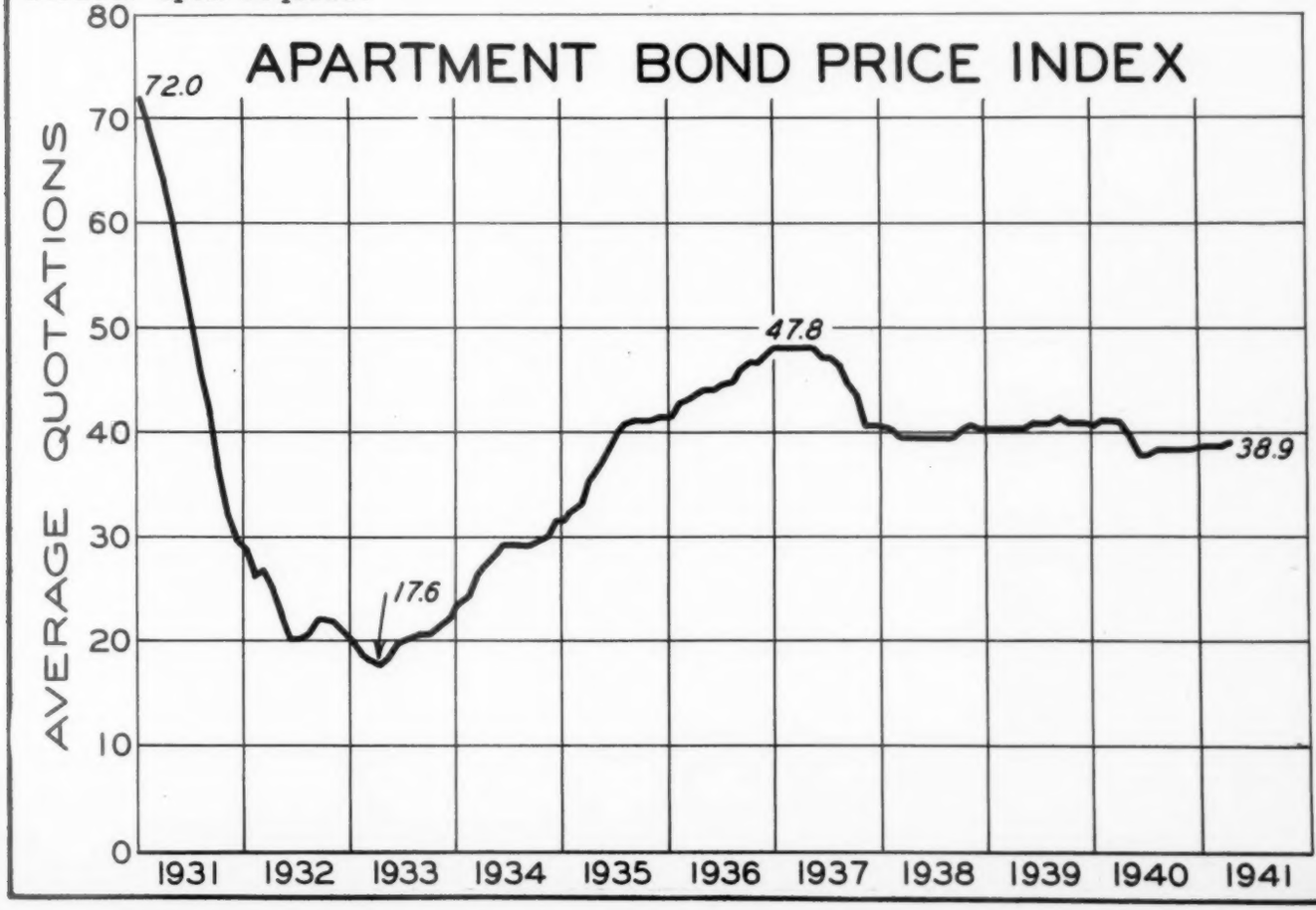
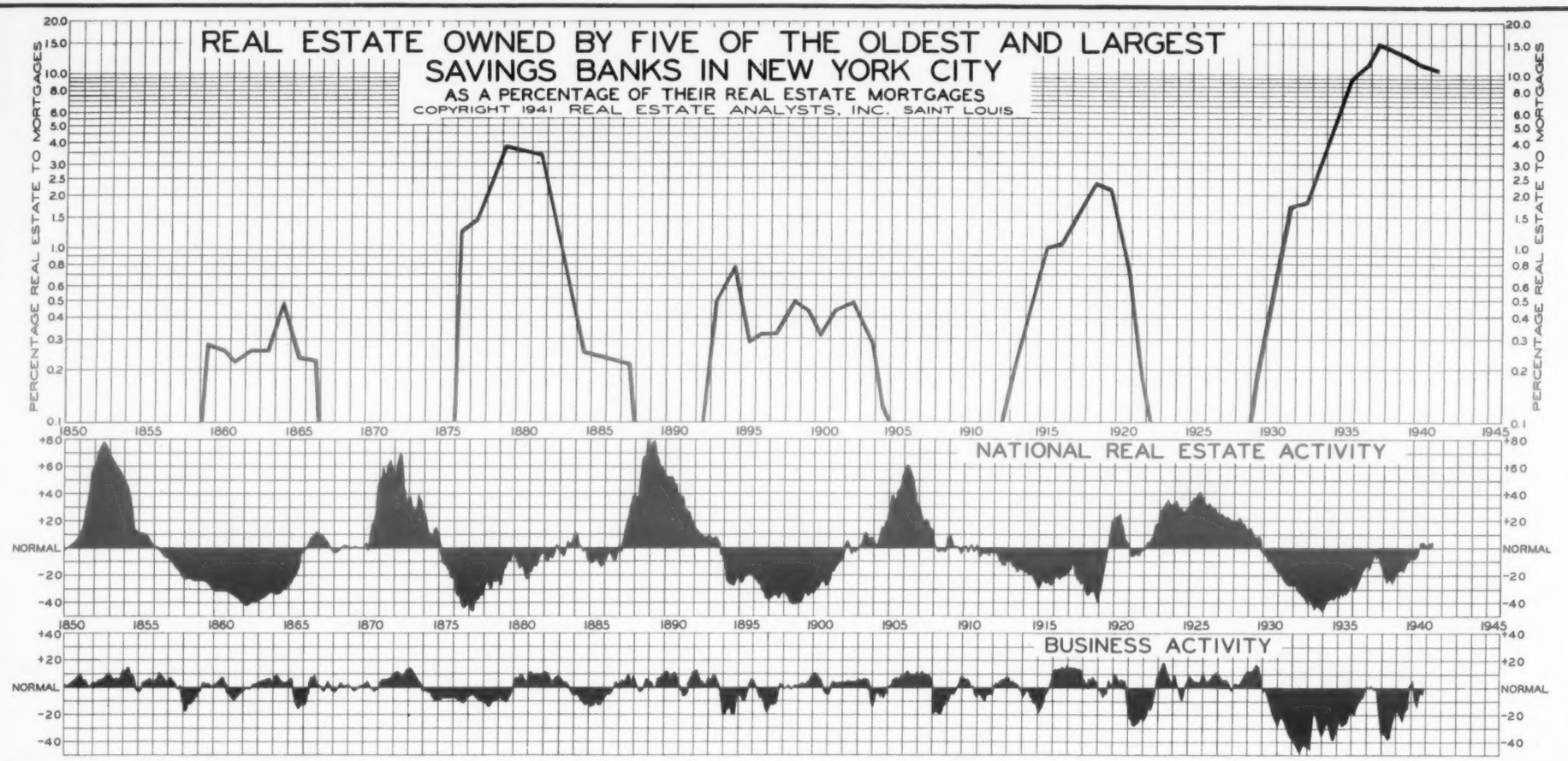
WHO LENDS MONEY ON REAL ESTATE?

THE greatest change during the past thirty years in the source of mortgage money for farms has been the decrease in the activity of individual lenders. In 1910, as shown on the top chart on the page opposite, they accounted for about 62% of all mortgages. By 1940 this percentage had declined to less than 30% of the total. Banks during the past three years have accounted for a larger percentage of agricultural loans than they have in any similar period of the past. The Federal Land Banks and the Land Bank Commissioner in 1934 accounted for almost 80% of all loans made; now this classification accounts for about 12%. Life Insurance Companies, like Banks, are accounting for a larger percentage of total farm loans than they have at any time during the past thirty years.

The chart on urban loans differs from the chart on agricultural loans chiefly in that Savings and Loan Associations and Mutual Savings Banks are substituted for Federal Land Banks. The figures for the urban field (compiled by the Federal Home Loan Bank Board) are not available except for 1939 and 1940. Accordingly, trends are not yet apparent. It is interesting to note, however, that Savings and Loan Associations accounted for as much as Banks and Trust Companies and Mutual Savings Banks all combined. Their loans were more than three times the total of the Insurance Companies' loans.

APARTMENT bond prices as shown on the chart below have experienced little change in the past year. These prices will not rise rapidly as a result of the rearmament program as most of the buildings covered by the bond issues are in fourteen large cities, the majority of which are not primarily defense cities. A copy of our bulletin listing the bonds used and the statistical methods employed in arriving at the final index will be sent to any subscriber upon request.





THE chart above shows the results of a study of real estate taken over during the depressions of the past 90 years by five of the largest and oldest savings banks in New York City. Each of these banks furnished us with information over the entire period of its history on the total volume of real estate loans and the amount of real estate owned each year.

In this study we have shown on the upper part of the chart the real estate owned each year as a percentage of the total volume of real estate held. On the central portion of this chart we have shown the national real estate cycle with real estate booms and depressions from 1850 to the present. On the bottom of the chart we have shown the general business cycle over the same period of time as depicted by Colonel Leonard P. Ayres of the Cleveland Trust Company.

It can be seen immediately that real estate has been taken over by these banks-not during the general business depressions necessarily - but always during the long real estate depressions that sometimes move quite independently of the general business situation. It will be noticed that in every real estate

(Continued on Page 107)

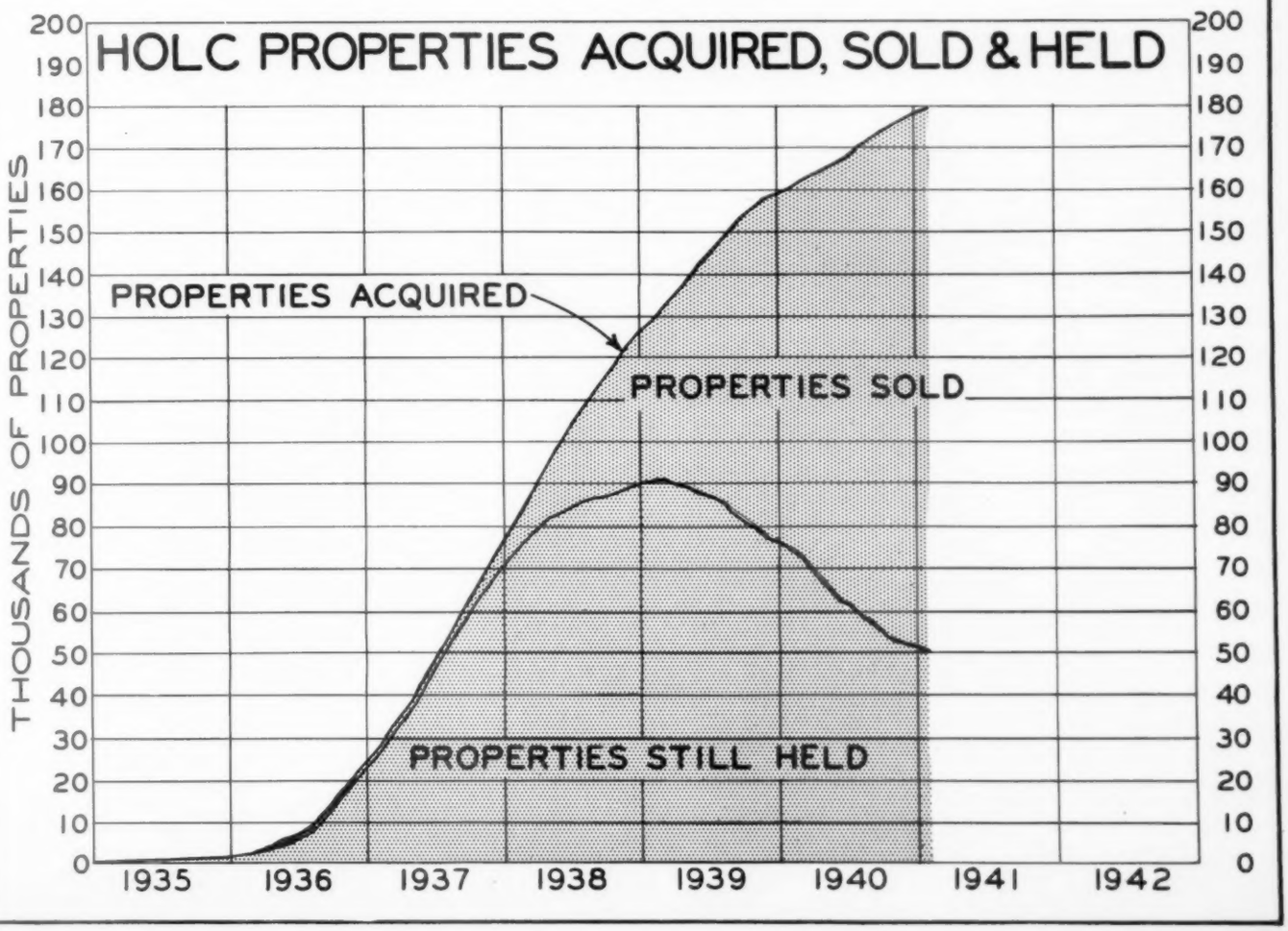
(Continued from Page 106)

depression, real estate owned has increased markedly, and as the depression mitigated and the succeeding real estate boom developed, the banks were able to liquidate all of the real estate that they had taken over during the preceding depression.

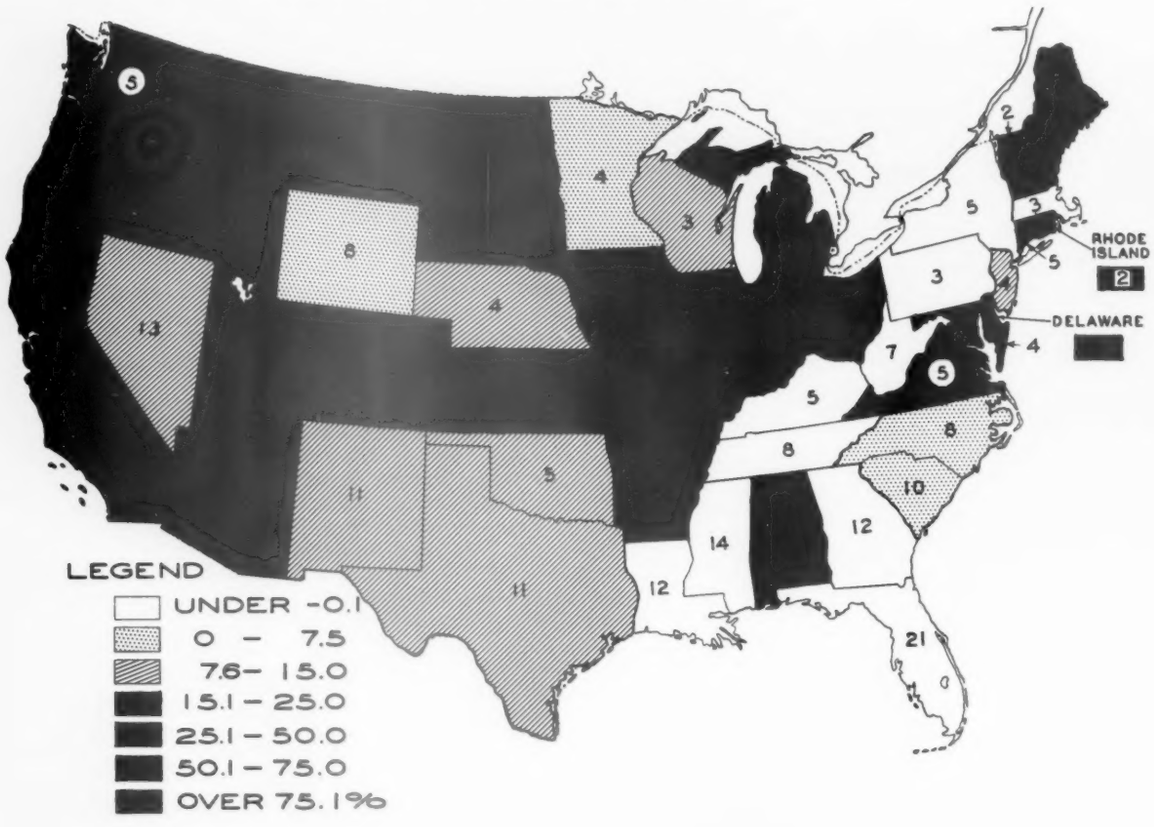
It will be noticed further that these banks passed their peak of real estate owned in 1937 and that each year since then has shown a slight drop. We anticipate a far more rapid drop during the next few years as the real estate cycle has again passed the normal line on the way up.

Were this study made on the real estate owned of banks throughout the United States, the picture would be quite different during the present period, as banks in other sections of the country, in the first place, did not find it necessary to take over the same percentage of real estate, nor have they experienced the same difficulty in liquidation. The New York tax situation is probably one of the reasons why the New York picture has been so much blacker than the picture in most other cities.

The Federal Home Loan Bank Board has made a number of studies which indicate that the real estate overhang is primarily a regional problem. Three states - New York, New Jersey and Pennsylvania - account for almost one-half of the total overhang in the entire country.

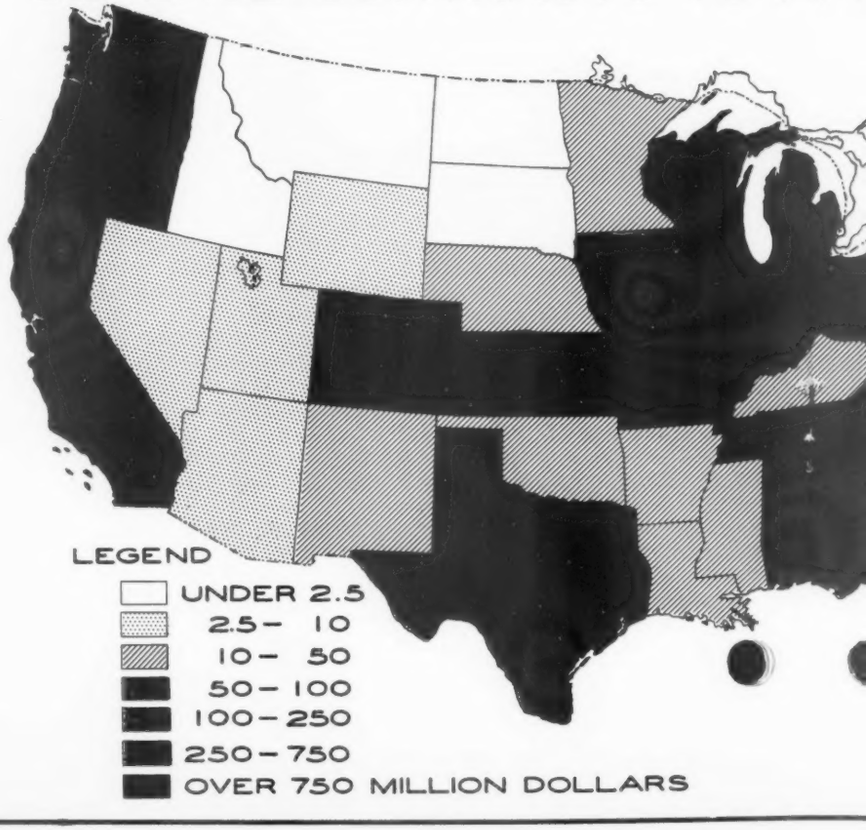


RESIDENTIAL BUILDING



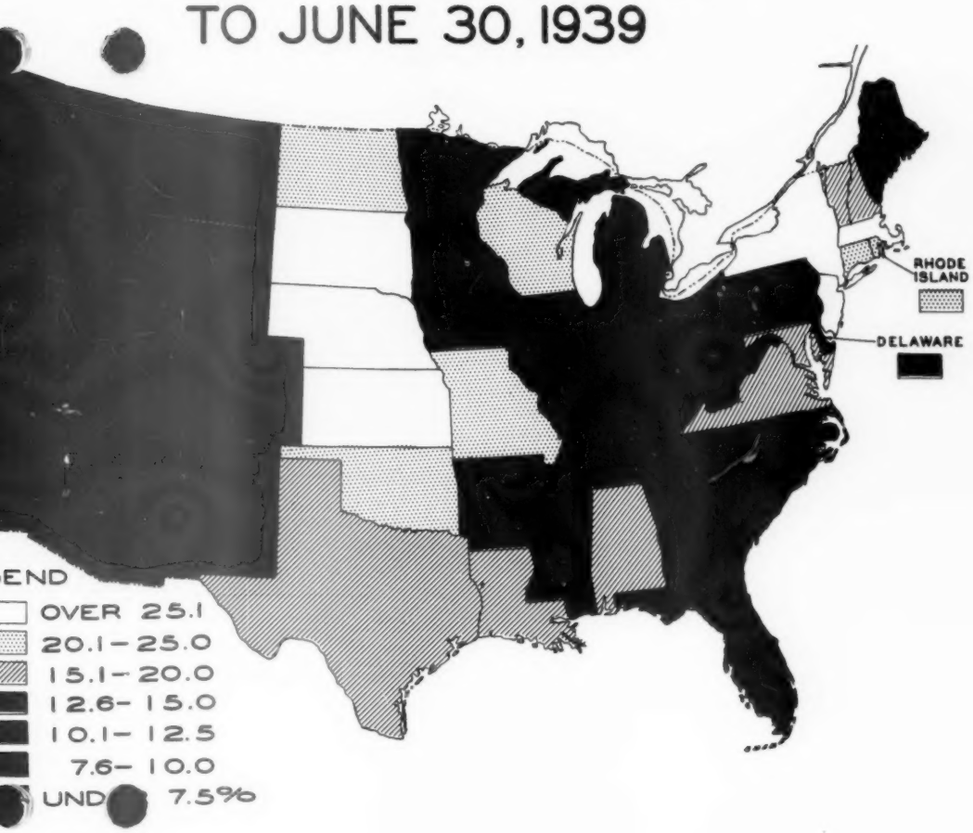
The map above shows by the figures in each state the average number of dwelling units built per month per 1000 population from March 1940 through February 1941.The shading shows the percentage increase or decrease in the number of new dwelling units provided in the period from March 1940 through February 1941 in comparison with the corresponding months of the previous year.

DEFENSE CONTRACTS TO APR

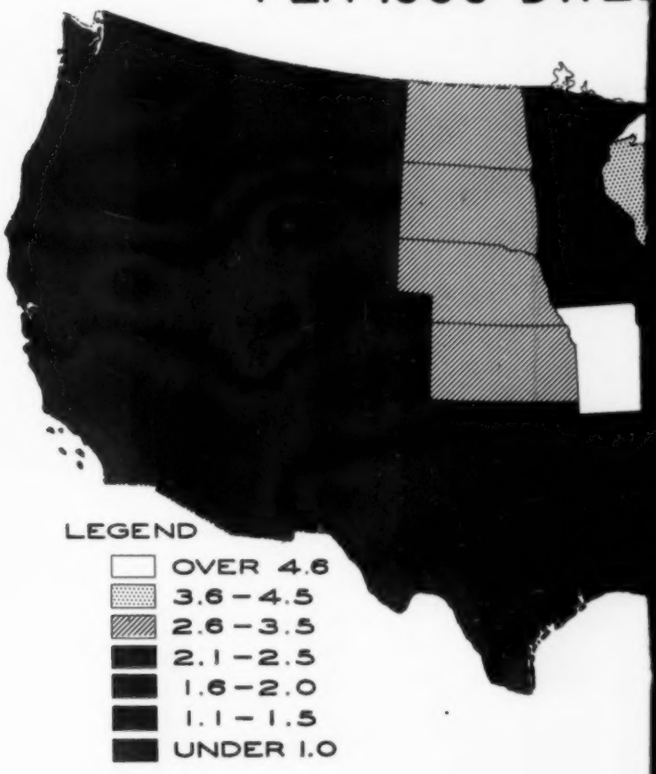


The map to the right shows defense contract expenditures from July 1, 1940, to March 31, 1941. The total of these expenditures is approximately $3,600,000. No attempt has been made to allocate the contracts to the different states in which the actual work may be done -- the location shown in the government report is that of the main office of the company getting the business.

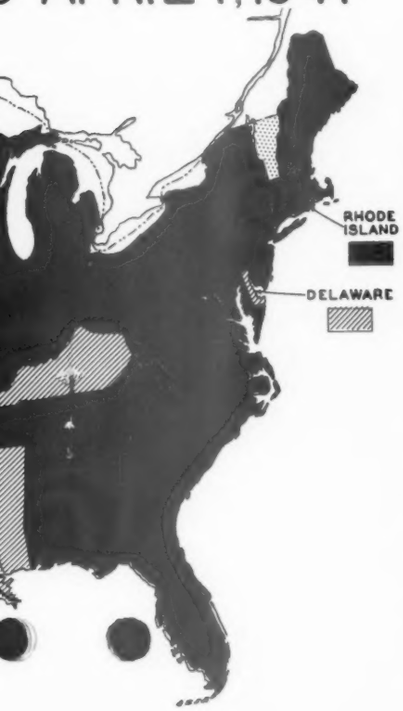
HOLC FORECLOSURES TO JUNE 30, 1939



NON-FARM FOREC PER 1000 DWEL



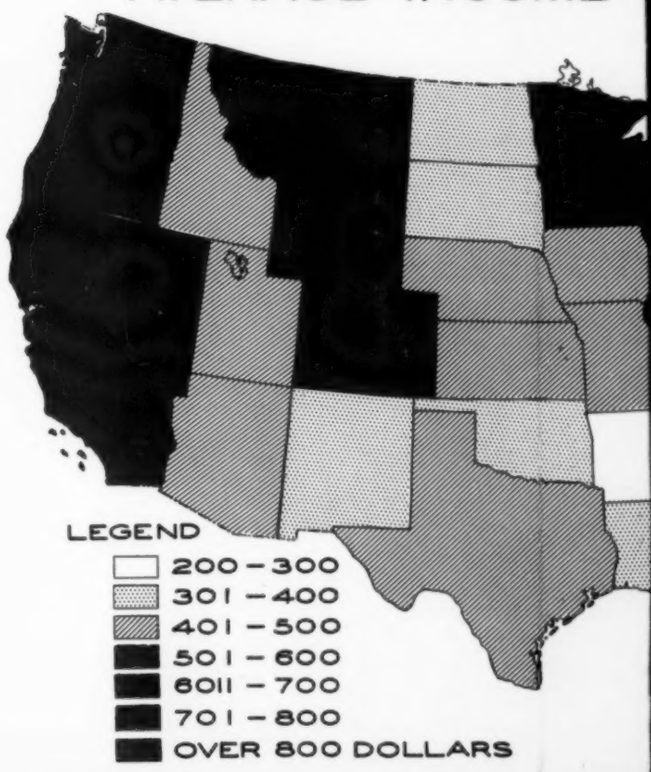
D APRIL 1, 1941



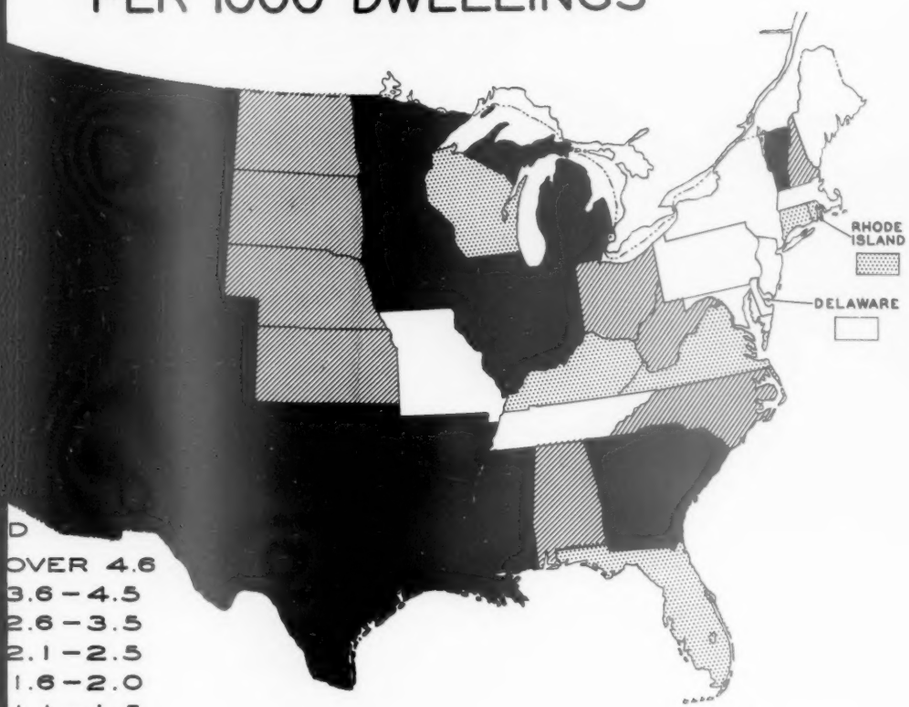
The map directly above shows HOLC foreclosures to June 30, 1939 as a percentage of the total loans closed. The average for the United States is 16.8%. The highest percentage of any state is that of New York, with 33.7% foreclosed; the lowest percentage is that of Nevada, with 4.7% foreclosed.

The map to the right shows per capita income which is made up of four major types of income: -- Net salaries and wages, supplements to salaries and wages (direct and work relief and unemployment benefits, pensions, workmen's compensation, etc.), entrepreneurial withdrawals (incomes of self-employed persons available for personal use), and capital return (dividends, interest, and net rents and royalties.

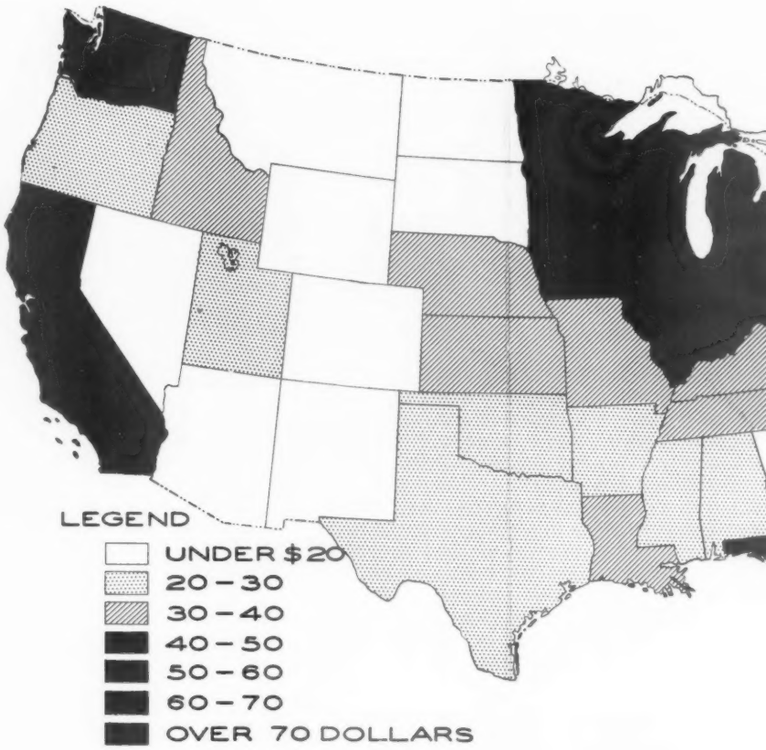
AVERAGE INCOME



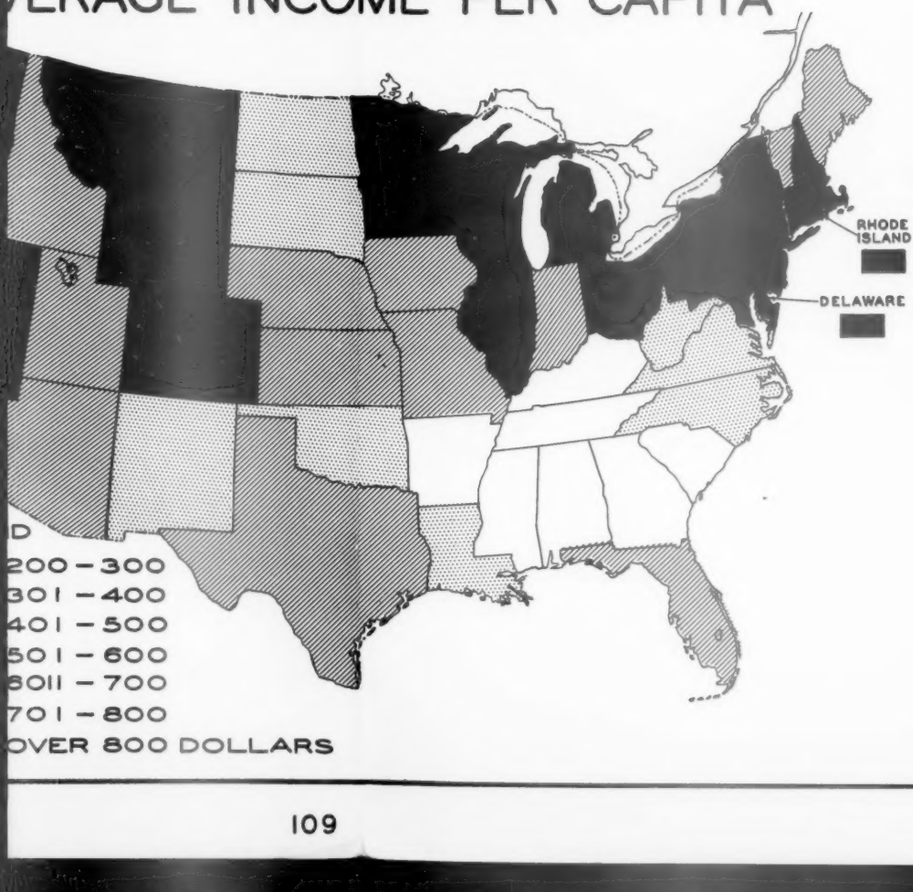
NON-FARM FORECLOSURES PER 1000 DWELLINGS



FARM VALUES PER ACRE



VERAGE INCOME PER CAPITA



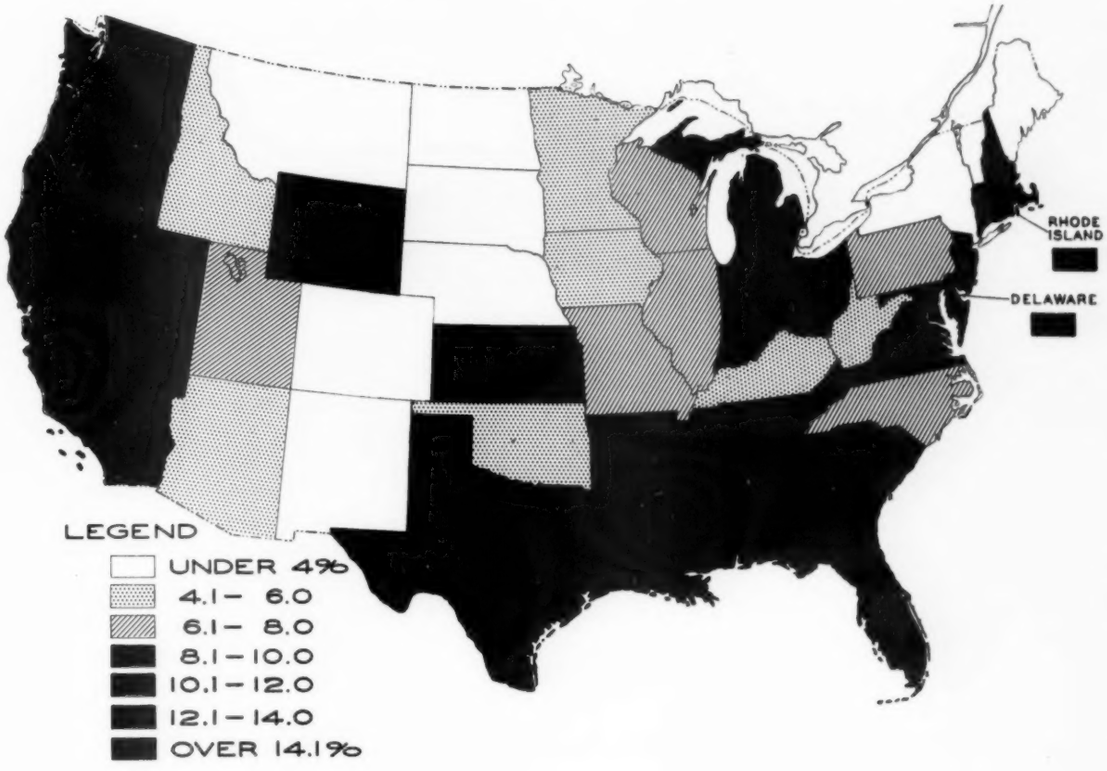
The map to the left above shows non-farm real estate foreclosures per month per 1000 dwellings based on the average of the six months ending in February 1941. New York is high with 7.8 foreclosures per month per 1000 dwellings, while Utah is low with .7 foreclosures per month per 1000 dwellings.

The map directly above shows the average dollar values per acre of farms in 1940. These figures include the values of buildings; this increases the values per acre in those states where farms are small more than it does in the states where farms are large. A $3000 house and barn on a 160 acre farm increase the value per acre by almost $19, while the same improvement on a 640 acre farm would add less than $5 to the value per acre.

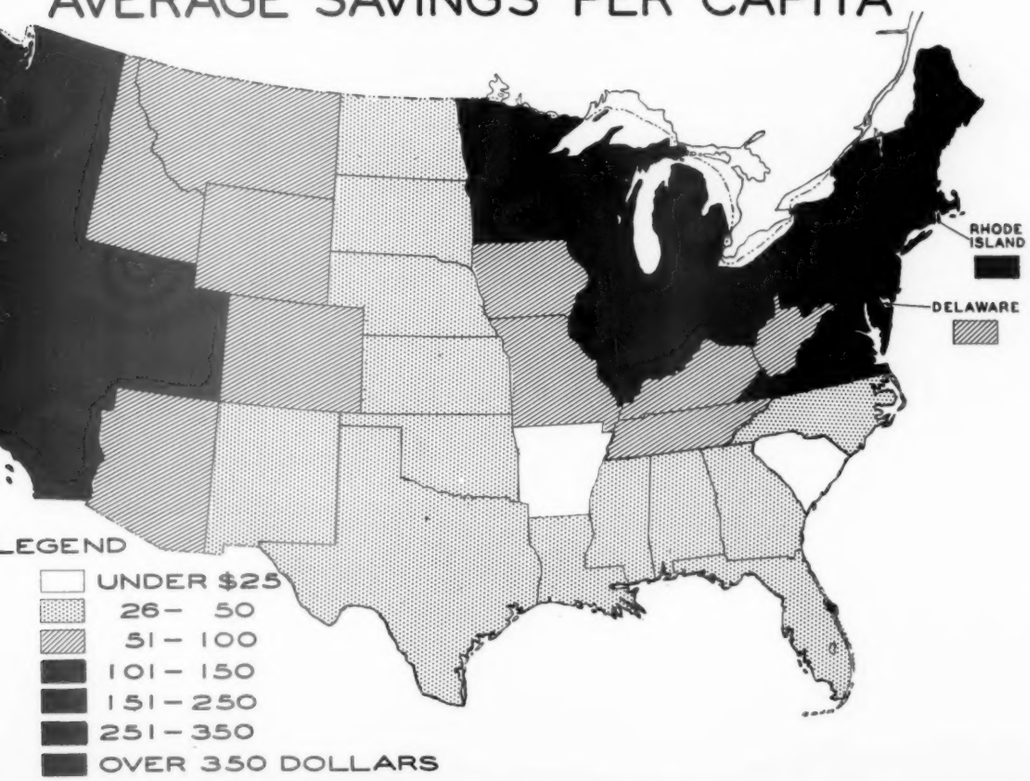
AVE

ACRE - 1940

INCREASE IN EMPLOYMENT 1940-1941



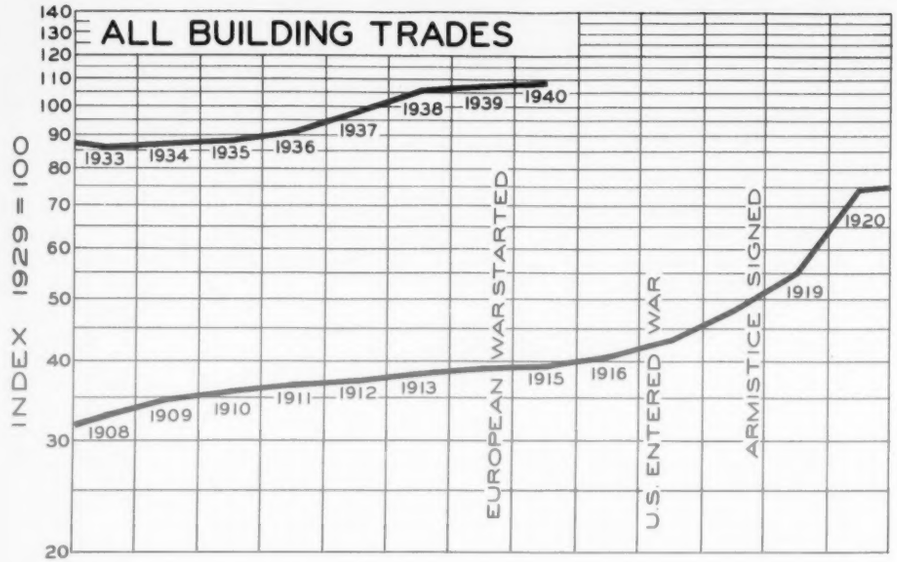
AVERAGE SAVINGS PER CAPITA

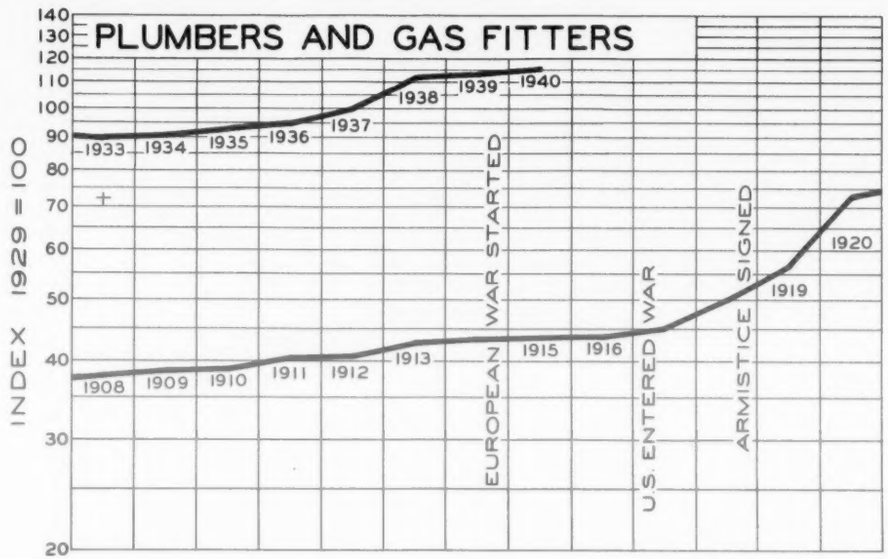


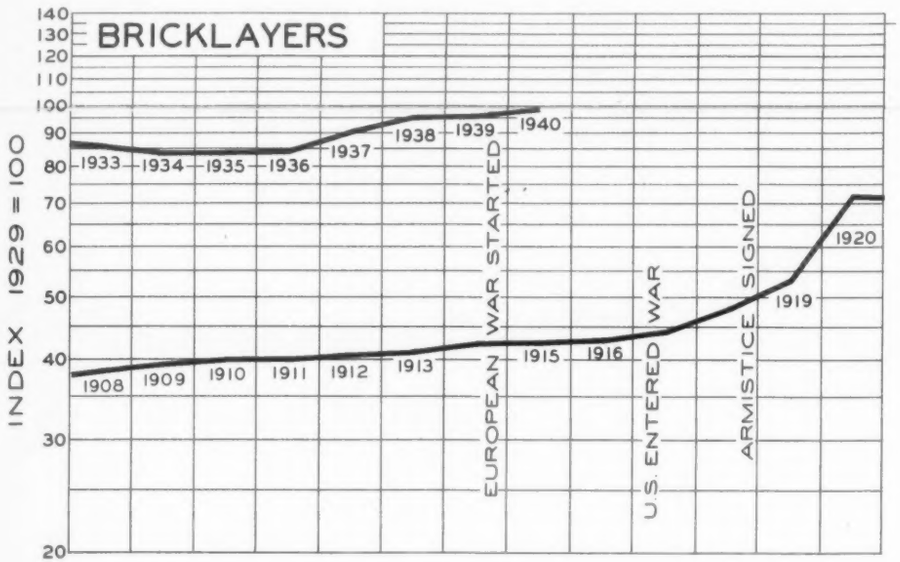
The map directly above shows the percentage change of employment in non-agricultural establishments from February 1940 to February 1941. February 1941 was the highest level on record, with an increase in employment of approximately 265,000 workers from January to February. Total non-agricultural employment in February 1941 amounted to 36,584,000 workers, which is 2,218,000 more than in February 1940.

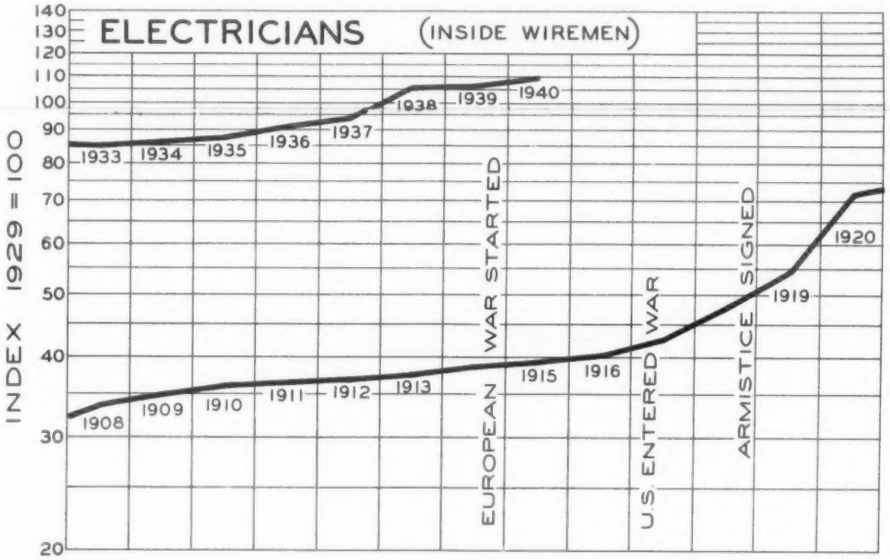
The map to the left shows the per capita savings in 1940 deposited in savings banks and savings accounts in banks and trust companies. The largest savings were in Massachusetts with $590 per capita. New York ran a close second with $571. The smallest were in South Carolina with $18 per capita. Second from the bottom was Arkansas with $24.

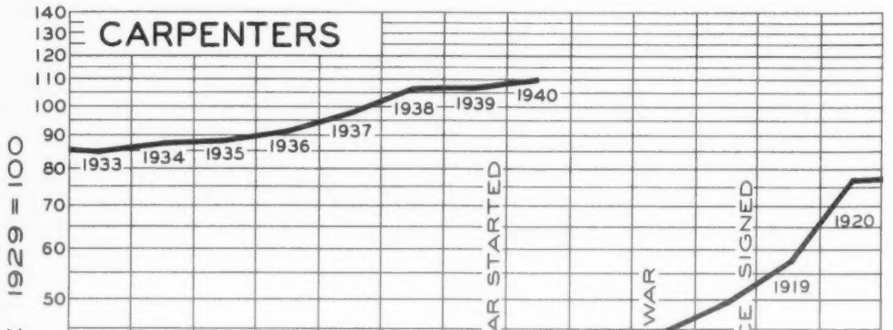
WAGE RATES OF THE BUILDING TRADES

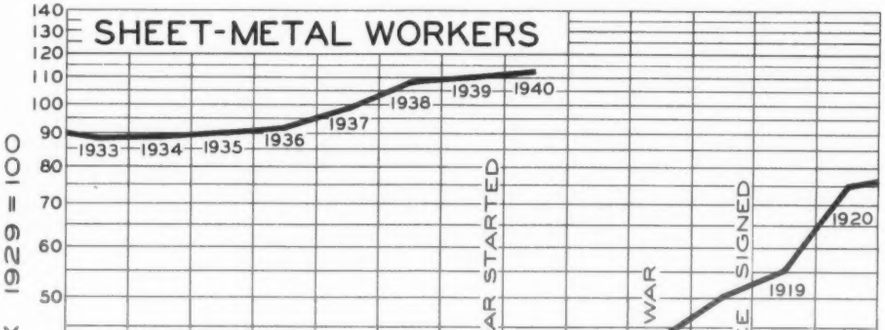


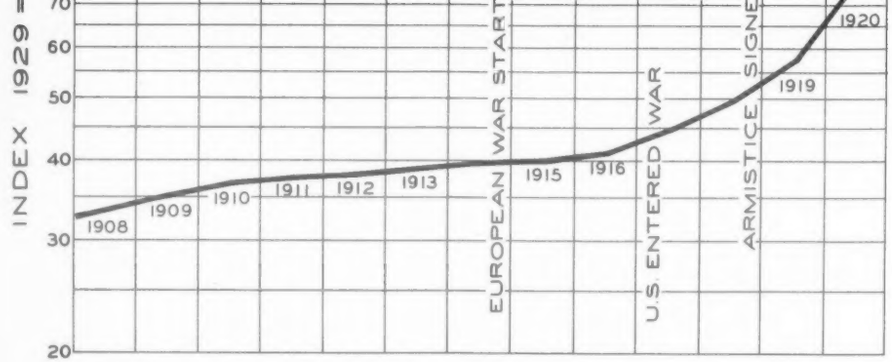








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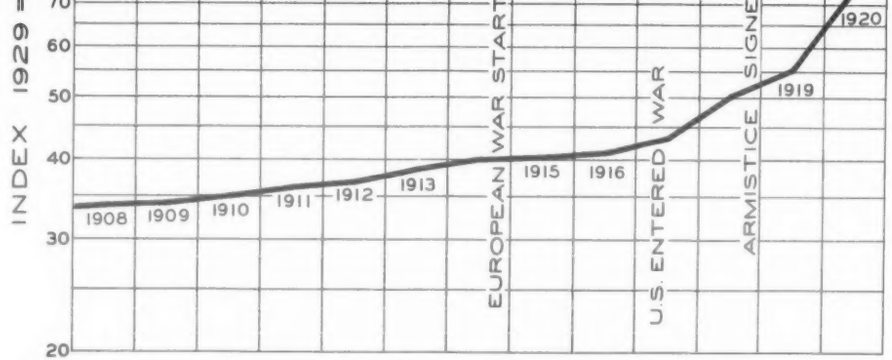
ARMISTICE SIGNED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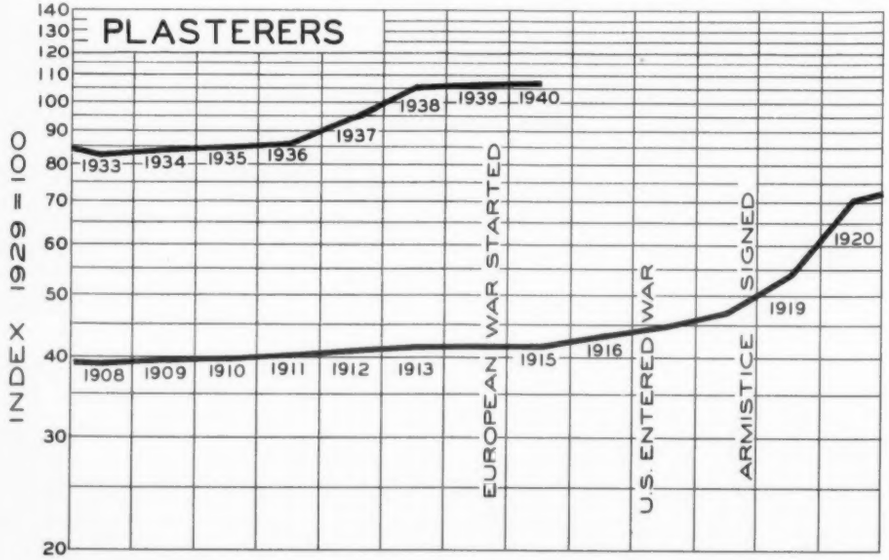
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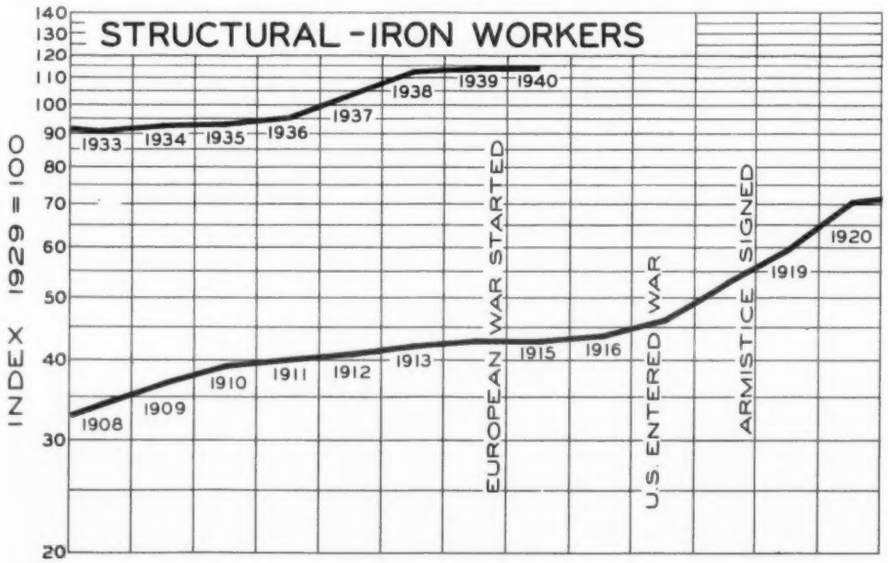
ARMISTICE SIGNED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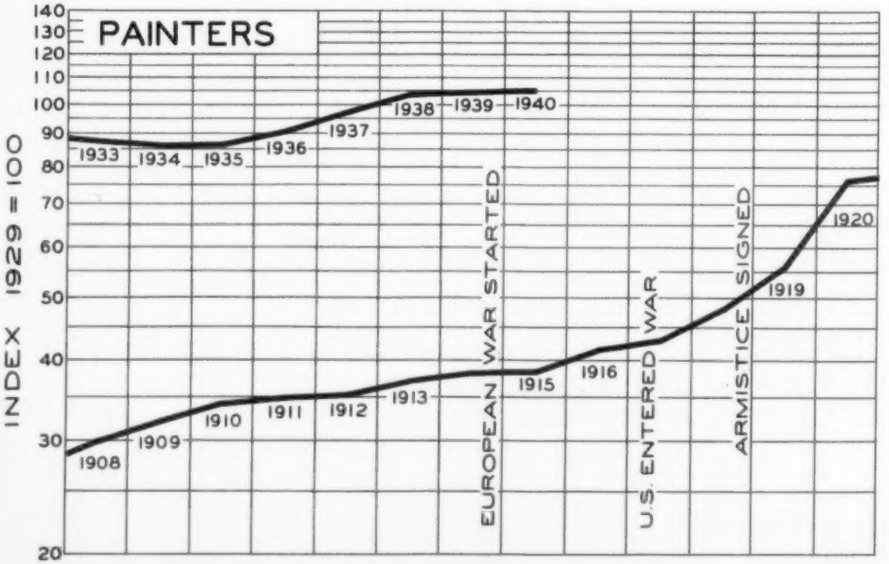
ARMISTICE SIGNED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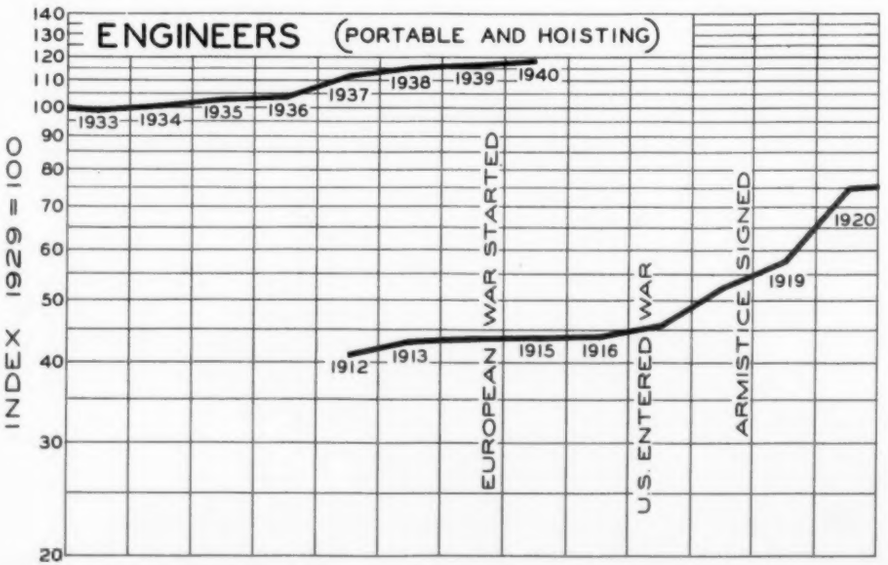
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EUROPEAN WAR STARTED
U.S. ENTERED WAR
ARMISTICE SIGNED

BUILDING COSTS OF A STANDARD SIX ROOM FRAME RESIDENCE BUILT IN ST. LOUIS

The chart on page 197 shows the variations in the costs of materials, labor and overhead for a six-room frame residence in St. Louis. Floor plans and a picture of the house are shown with the chart. Costs are grouped into four classifications of material, four of labor and three of overhead. A further breakdown of these groups is given in detail below. Columns of the table are numbered, and a brief description of the items included in each is given in the paragraphs below. Paragraphs are numbered to correspond with the columns described. Building material costs are printed in black; the corresponding direct labor items are given in red. Overhead items - columns 18, 19 and 20 - are also printed in black.

*No labor items are shown in column 13, Building Hardware, as they have already been included in column 6, Mill Work.

Group A:

(1) Mason Materials: Cement, sand, gravel, quick lime, hydrated lime, hard wall plaster, face and common brick, fire brick, flue lining. Labor.

(2) Tile Materials: 4¼ x 4¼ wall tile, ceramic floor tile, cap and base. Labor.

(3) TOTAL OF GROUP A: Materials. Labor.

Group B:

(4) Unfinished Lumber: Columns, beams, floor and ceiling joists, interior and exterior studs, rafters, bracing, etc. Labor.

(5) Finished Lumber: Sub-flooring, sheathing, beveled siding, finished floors, asphalt shingle roofing, roofing felt, tar paper, shutters etc. Labor.

(6) Mill Work: Windows, doors, trim, kitchen cabinet, stairs.

(7) TOTAL OF GROUP B: Materials. Labor

Group C:

(8) Heating: Boiler, insulating jackets, fittings, tools, pipes, connections, valves and radiation. Labor.

(9) Plumbing: Soil Pipes and connections, stack, water pipe and connections, lead oakum and bathroom fixtures; hot water heater and tank to be furnished by others. Labor.

(10) TOTAL OF GROUP C: Materials. Labor.

Group D:

(11) Sheet Metal: Copper gutters, downspouts, flashing. Labor.

(12) Electrical Work: Main switch, BX cable, switch boxes, receptacles, transformer etc. No fixtures included. Labor.

(13) Nails and Hardware: Common and wire nails, bolts, damper, ash doors, finish hardware.

(14) Paint Materials: White lead, linseed oil, turpentine. Labor.

(15) Misc.: Metal & wood laths, corner bead, insulation. Labor.

(16) TOTAL OF GROUP D: Materials. Labor.

(17) TOTAL COSTS: Materials. Labor.

Group E:

(18) Overhead and profit of subcontractors in plastering, heating, plumbing, metal work, electrical work and tile work.

(19) General contractor's profit.

(20) Missouri sales tax (now 2% on materials), old age and unemployment tax (federal and state), liability and employees' compensation insurance, fire and tornado insurance, completion bond.

(21) TOTAL OF GROUP E.

(22) TOTAL CONSTRUCTION COST.

YEAR	GROUP A						GROUP B								GROUP C								GROUP D										GROUP E				TOTAL
	(1)		(2)		(3) TOTAL		(4)		(5)		(6)		(7) TOTAL		(8)		(9)		(10) TOTAL		(11)		(12)		(13)		(14)		(15)		(16) TOTAL		(17) TOTAL		(18)	(19)	(20)	(21) TOTAL	(22) TOTAL
Ja 1937	$508	$508	$111	$67	$619	$575	$364	$186	$688	$245	$539	$221	$1591	$653	$239	$160	$308	$134	$547	$294	$59	$22	$32	$57	$64	*	$28	$104	$227	$53	$410	$237	$3167	$1758	$355	$528	$289	$1172	$6097
Ap 1937	503	508	111	67	614	575	423	186	763	245	591	221	1777	653	246	160	335	134	581	294	55	22	30	57	64		31	104	227	53	407	237	3379	1758	360	550	295	1205	6342
Jl 1937	500	519	111	67	611	586	423	186	772	245	592	221	1787	653	250	160	332	161	582	321	53	22	29	57	64		31	104	227	53	404	237	3384	1795	376	556	332	1264	6443
O 1937	500	510	111	67	611	577	369	184	745	244	592	221	1706	649	255	160	330	134	585	294	48	22	26	57	65		30	104	223	53	392	236	3294	1756	360	541	324	1225	6274
Ja 1938	500	428	103	67	603	495	369	162	693	210	591	189	1653	561	255	160	313	134	568	294	48	19	26	57	68		29	88	223	42	394	207	3218	1557	344	512	315	1171	5946
Ap 1938	500	428	103	67	603	495	343	162	633	210	592	189	1568	561	231	160	305	134	536	294	45	19	25	57	68		27	88	222	42	387	207	3094	1557	335	490	310	1135	5786
Jl 1938	516	428	103	67	619	495	343	162	631	210	549	169	1523	540	239	160	285	134	524	294	45	19	25	57	64		27	88	221	42	382	207	3048	1536	328	489	301	1119	5703
O 1938	516	417	103	67	619	483	343	142	631	185	550	167	1524	494	239	160	283	134	522	294	48	17	26	57	64		28	88	221	42	387	205	3052	1476	326	484	296	1106	5634
Ja 1939	515	417	103	77	618	494	353	142	642	185	525	167	1520	494	239	160	284	134	523	294	49	17	27	57	64		28	88	192	42	360	205	3021	1487	329	482	297	1107	5615
Ap 1939	510	561	103	77	613	638	345	164	644	219	509	198	1498	581	239	160	267	134	506	294	48	19	26	57	64		29	116	192	61	359	253	2976	1766	348	507	329	1184	5926
Jl 1939	516	561	103	77	619	638	346	164	639	219	508	198	1493	581	239	160	271	131	510	291	46	19	26	57	64		29	116	191	61	356	253	2978	1763	346	507	329	1182	5923
O 1939	510	561	103	77	613	638	395	164	713	219	509	198	1617	581	239	160	285	131	524	291	52	19	29	57	65		30	116	193	61	369	253	3123	1763	353	522	339	1209	6096
Ja 1940	510	538	103	77	613	514	374	158	679	215	567	195	1600	567	236	160	282	131	518	291	58	17	32	57	65		30	93	193	61	378	229	3109	1702	352	516	327	1194	6005
Ap 1940	510	538	103	77	613	614	371	158	651	215	566	195	1588	567	236	160	285	131	521	291	63	17	35	57	65		30	93	193	61	386	229	3108	1702	352	516	327	1194	6004
Jl 1940	510	538	103	77	613	614	371	158	651	215	566	195	1588	567	236	160	285	131	521	291	63	17	35	57	65		30	93	193	61	386	229	3108	1702	352	516	327	1194	6004
Ag 1940	510	556	103	77	613	633	415	158	735	215	604	195	1754	567	236	160	285	161	521	321	63	17	31	57	66		30	93	201	69	390	236	3278	1758	361	540	341	1242	6278
S 1940	510	556	145	77	655	633	448	158	736	215	604	195	1788	567	236	160	301	161	537	321	63	17	31	57	66		30	93	195	69	385	236	3368	1758	379	551	345	1274	6400
O 1940	510	542	145	86	655	628	494	162	763	218	628	197	1885	576	254	160	294	161	548	321	63	17	31	57	66		32	93	203	75	395	242	3483	1768	385	564	351	1300	6551
N 1940	510	542	145	86	655	628	493	162	805	218	646	197	1944	576	254	160	295	161	549	321	62	17	27	57	66		32	93	203	75	390	242	3538	1768	385	569	351	1305	6611
D 1940	510	640	145	86	655	726	493	182	805	243	645	219	1943	644	242	160	266	161	508	321	62	19	27	58	66		32	104	203	78	390	259	3496	1950	380	585	375	1340	6786
Ja 1941	515	640	145	86	660	726	493	182	808	243	645	219	1946	644	242	160	266	161	508	321	62	19	28	58	67		33	104	203	78	393	259	3507	1950	380	585	375	1340	6797
F 1941	515	639	145	86	660	725	493	182	753	243	633	219	1879	644	251	180	269	149	520	329	62	19	28	63	69		33	131	203	78	395	291	3454	1989	387	583	376	1346	6789
Mr 1941	487	639	145	86	632	725	465	182	748	243	633	219	1846	644	251	180	269	149	520	329	62	19	28	63	69		33	131	202	79	394	292	3392	1990	388	577	374	1339	6721
Ap 1941	487	639	159	86	646	725	463	182	771	243	633	219	1867	644	251	180	274	149	525	329	62	19	28	63	69		33	131	202	79	394	292	3432	1990	396	581	376	1353	6775

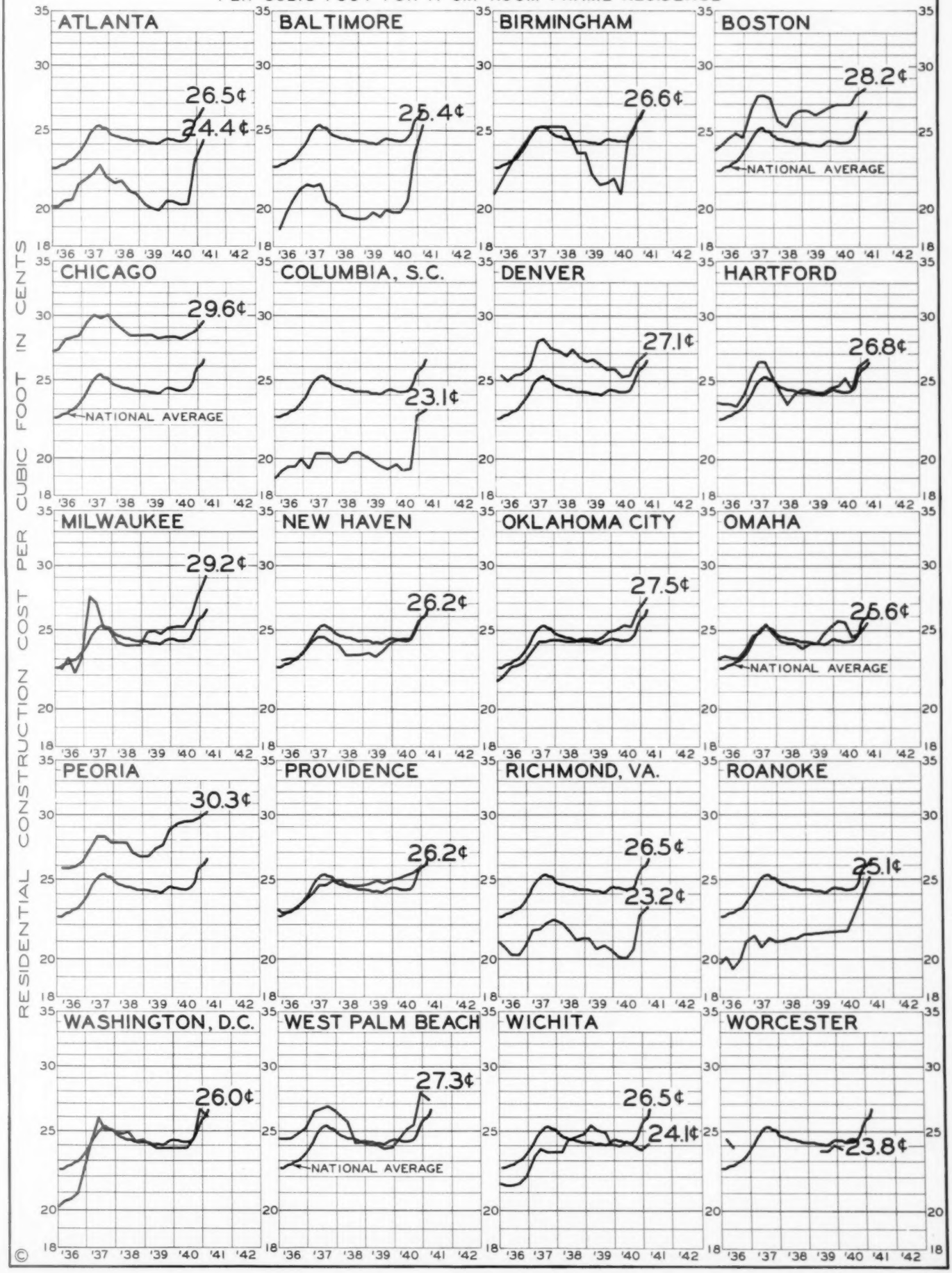
WAGE RATES OF THE BUILDING TRADES WILL CONTINUE TO ADVANCE

The charts on pages 112-113 show a comparison of union building wage rates in the World War I period and in the present war period. On the average, wage rates were 2.7 times higher at the beginning of the present war than they were at the beginning of World War I. From 1935 to 1940 average wage scales have increased by 23.4%. The actual increase in wages has been far greater; during the depression union rates in most cities were paid only on very large jobs.

From the standpoint of the beginning of the two wars, the period from 1910 to 1915 compares with the period from 1935 to 1940. Wage rates increased 9.3% in the earlier period, and from 1915 to 1920 they increased 89%. The present period will undoubtedly bear many resemblances to that of 1915-1920, and we think it likely that the rapid increases in wages that accompanied World War I may occur again during the present war and the period that follows.

RESIDENTIAL CONSTRUCTION COSTS

PER CUBIC FOOT FOR A SIX-ROOM FRAME RESIDENCE



THE REAL ESTATE ANALYST INDEX OF RESIDENTIAL RENTS

	1940										1941					
	Sept.		Oct.		Nov.		Dec.		Jan.		Feb.		Mar.		Apr.	
	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.	Res.	Apt.
National Index	$8.53	$11.82	$8.52	$11.81	$8.50	$11.83	$8.45	$11.80	$8.44	$11.80	$8.47	$11.80	$8.50	$11.80	$8.51	$11.89
Atlanta	8.12	11.02	8.14	11.02	8.14	11.03	8.07	11.15	8.04	11.17	8.03	11.16	8.06	11.18	8.03	11.20
Baltimore	7.50	10.30	7.47	10.32	7.41	10.39	7.30	10.31	7.28	10.33	7.30	10.39	7.53	10.46	7.59	10.55
Birmingham	6.47	9.85	6.52	9.89	6.49	9.93	6.47	9.96	6.47	9.96	6.58	9.96	6.57	10.02	6.64	10.01
Boston	8.24	14.90	8.40	14.91	8.36	14.99	8.32	14.90	8.35	14.79	8.30	14.76	8.36	14.62	8.54	14.68
Chicago	10.86	12.65	10.80	12.61	10.64	12.63	10.78	12.65	10.91	12.61	11.10	12.76	11.28	12.80	11.40	12.80
Cincinnati	9.83	12.92	9.78	12.90	9.70	12.90	9.69	12.93	9.73	13.00	9.75	13.11	9.91	13.10	10.09	13.10
Cleveland	9.86	12.66	9.85	12.75	9.81	12.81	9.75	12.89	9.76	12.97	9.81	12.85	9.90	12.95	9.92	13.01
Columbus	7.19	10.90	7.20	10.92	7.19	10.92	7.14	10.87	7.14	10.88	7.13	10.96	7.14	10.90	7.20	11.00
Denver	7.87	12.71	7.86	12.70	7.76	12.67	7.71	12.60	7.64	12.60	7.63	12.50	7.54	12.49	7.64	12.48
Detroit	9.08	11.65	9.13	11.76	9.10	11.79	9.08	11.75	9.04	11.76	9.19	11.76	9.36	11.80	9.50	11.82
Houston	8.36	10.77	8.28	10.76	8.20	10.70	8.05	10.70	8.04	10.63	7.98	10.56	7.91	10.41	7.89	10.32
Kansas City	6.22	7.19	6.20	7.15	6.16	7.16	6.10	7.15	6.09	7.15	6.06	7.18	6.11	7.15	6.14	7.11
Los Angeles	10.76	11.59	10.76	11.59	10.65	11.50	10.60	11.32	10.70	11.29	10.68	11.18	10.81	11.21	10.80	11.29
Milwaukee	9.15	10.59	9.12	10.60	9.07	10.64	8.96	10.70	8.93	10.66	8.96	10.70	8.96	10.71	8.79	10.80
Minneapolis	8.31	10.30	8.21	10.30	8.09	10.31	7.99	10.25	7.92	10.25	7.97	10.20	7.96	10.20	8.00	10.29
New Orleans	8.78	10.53	8.86	10.56	8.93	10.52	9.02	10.58	8.90	10.52	9.24	10.56	8.79	10.56	8.73	10.46
New York	12.72	19.65	12.69	19.60	12.58	19.54	12.56	19.48	12.53	19.30	12.54	19.21	12.40	19.10	12.40	19.14
Omaha	6.82	11.70	6.81	11.70	6.82	11.75	6.81	11.71	6.81	11.72	6.85	11.77	6.91	11.70	6.96	11.61
Philadelphia	7.18	14.05	7.20	14.11	7.20	14.09	7.13	14.08	7.13	14.05	7.08	13.98	7.06	13.99	7.00	13.99
Pittsburgh	9.33	12.11	9.31	12.11	9.32	12.00	9.24	11.75	9.22	11.70	9.24	11.82	9.29	11.90	9.34	12.10
Richmond	8.20	11.03	8.25	10.98	8.25	11.04	8.23	11.16	8.25	11.28	8.37	11.33	8.45	11.45	8.54	11.59
Saint Louis	8.22	10.59	8.23	10.63	8.13	10.63	8.04	10.60	7.99	10.69	8.08	10.72	8.14	10.79	8.32	10.77
Salt Lake City	7.77	11.07	7.84	11.09	7.72	10.99	7.76	10.91	7.75	10.94	7.81	10.91	7.86	10.87	7.41	10.80
San Francisco	9.76	13.05	9.76	13.09	9.75	13.07	9.75	13.00	9.73	13.01	9.70	13.09	9.76	13.02	9.74	13.00
Seattle	7.69	11.90	7.75	11.90	7.80	11.87	7.72	11.81	7.78	11.81	7.86	11.81	8.09	11.82	7.94	11.89
Tulsa	7.58		7.51		7.48		7.39		7.30		7.31		7.28		7.09	

The index above on 26 cities has been compiled in the following fashion:

First, the classified want ads of the leading newspapers are used in each city to abstract the asked rentals for the various types and sizes of units. These figures are reduced to an average rent per room per month in each city. After studying the reactions of this advertised rent index, we have found that it is too highly sensitive and that it swings by a larger percentage than the average of all rents being paid. After considerable experiment, we have found that a moving average for a two-year period with a heavier weighting on the last six months seems to fluctuate more nearly with rent levels, and it seems logical that it should.

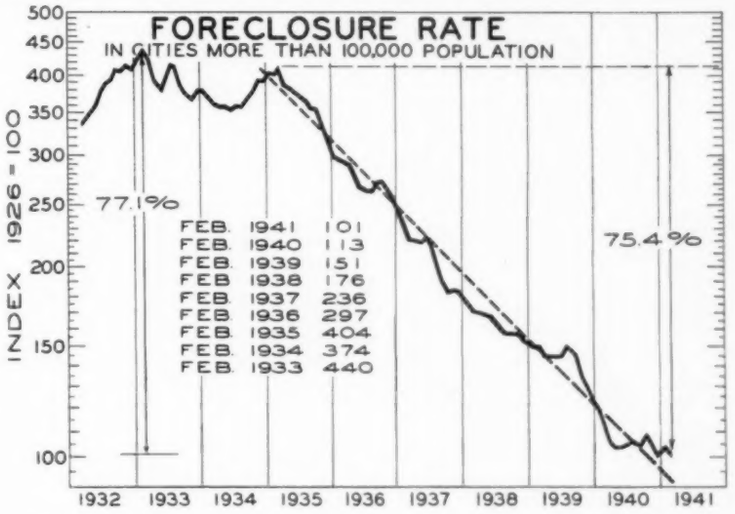
One difficulty with the advertised rent, as an index of actual rent, is that it represents the asked price of units vacant at that time, while actual rent levels are composed of the rental agreed on when space was rented a number of months and sometimes a number of years in the past. For this reason rent levels change slower than do advertised rents.

In our index we have used a two-year moving average, with each of the first eighteen months weighted one, each of the nineteenth and twentieth months weighted two, each of the twenty-third and twenty-fourth months weighted four.

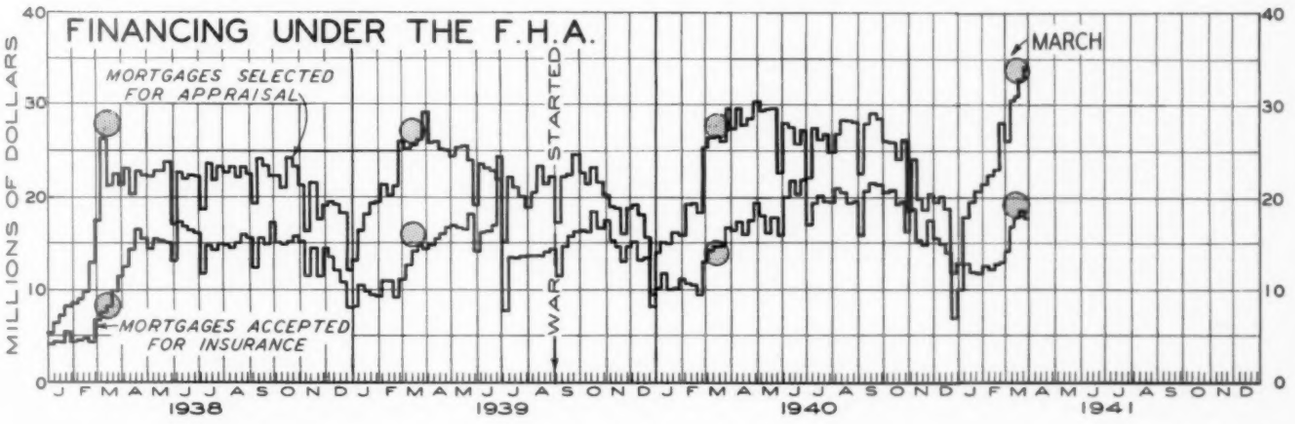
Our index is charted directly in dollars per month per room, which makes possible a comparison of rent levels in the 26 cities. It should be remembered, however, that in each city these figures represent an average of the better- and lower-class living accommodations.

URBAN foreclosures for February 1941, on a seasonally adjusted basis, showed a slight decrease over January.

It will be noticed from the chart to the right that the foreclosure rate has shown relatively slight changes since the spring of 1940. While we anticipate that foreclosures will decrease still further, large percentage drops are no longer possible, as foreclosures have reached a very low level.



This chart is computed from basic figures that are gathered by the Home Owners' Loan Corporation.



THE number of mortgages selected for appraisal by the FHA in March exceeded that in all previous months and the number of mortgages accepted for insurance exceeded that in any previous March. Housing for defense is proving such a stimulant to new building that increased costs have not been very effective in deterring new building.

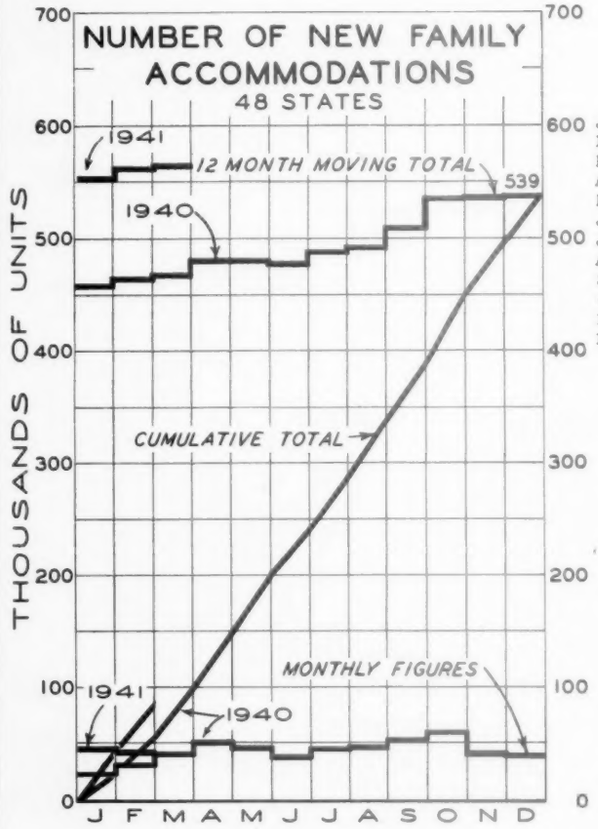
Now that Title VI of the FHA has become operative in defense cities, the April and May figures of the FHA should rise to still greater heights. Unless the United States enters the war our forecasts on building volume for 1941 will be too low. The tables below show comparisons with a year ago.

MORTGAGES SELECTED FOR APPRAISAL COMPARED WITH A YEAR AGO

1940											1941		
Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	March
-2%	-6%	+21%	+18%	+11%	+42%	+24%	+27%	+16%	+13%	+16%	+21%	+18%	+21%

MORTGAGES ACCEPTED FOR INSURANCE COMPARED WITH A YEAR AGO

+9%	+1%	+18%	+9%	+2%	+67%	+58%	+37%	+19%	+15%	+7%	+12%	+16%	+19%

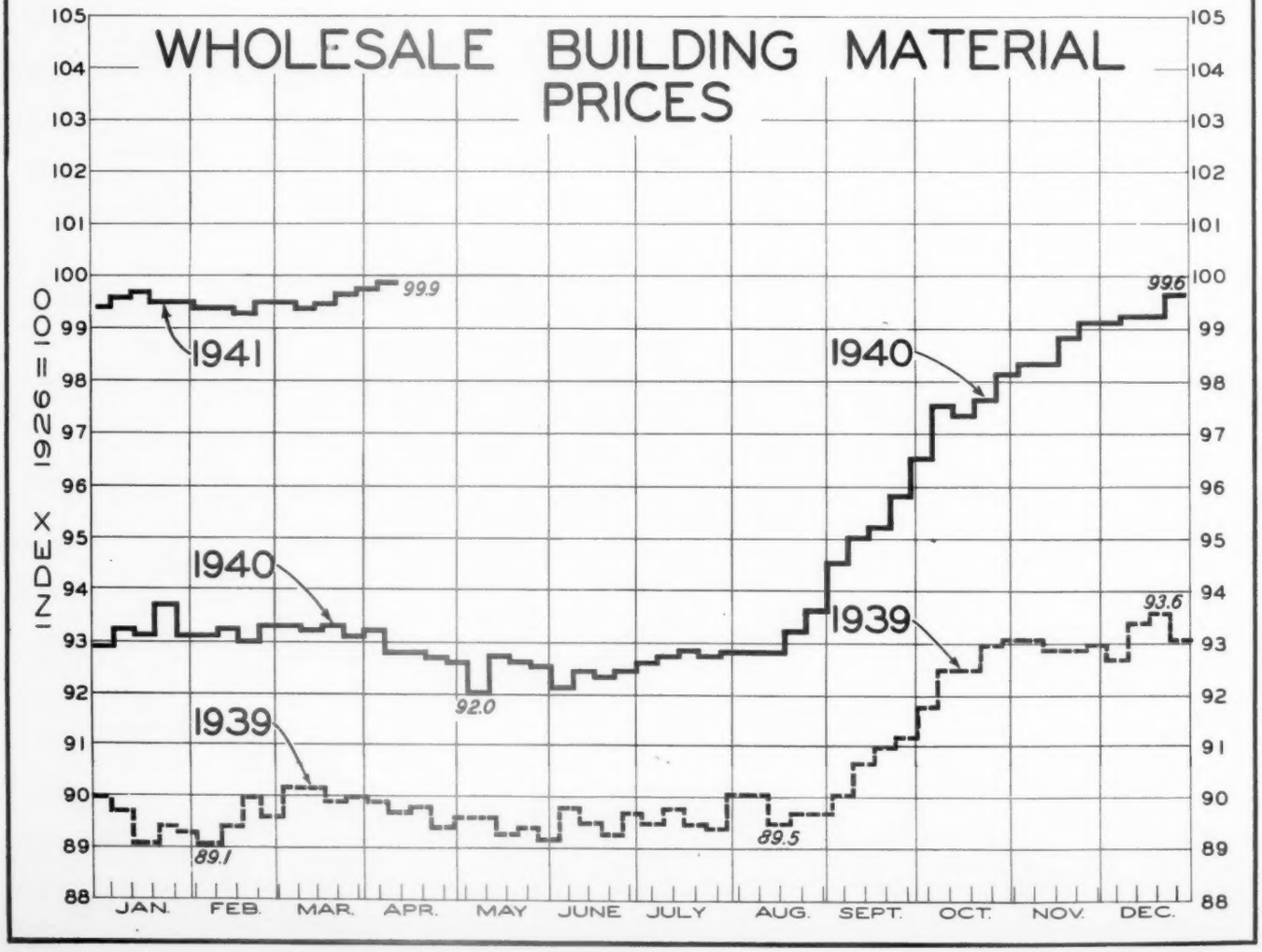


DWELLING UNITS CONSTRUCTED IN 48 STATES
(in thousands of units)

	Monthly			Cumulative			12 Month Moving Total		
	1939	1940	1941	1939	1940	1941	1939	1940	1941
January	30.1	25.7	40.4	30.1	25.7	40.4	345	461	553
February	29.2	33.7	40.2	59.3	59.4	80.6	359	465	560
March	39.4	42.0	45.9	98.7	101.4	126.5	375	468	564
April	36.6	51.1		135.3	152.5		386	482	
May	49.6	49.1		184.9	201.6		409	482	
June	40.6	38.8		225.5	240.4		422	480	
July	38.1	48.9		263.6	289.3		423	491	
August	46.2	49.4		309.8	338.7		435	494	
September	35.7	53.0		345.5	391.7		435	511	
October	36.1	62.4		381.6	454.1		439	537	
November	42.5	42.7		424.1	496.8		450	538	
December	40.9	41.9		465.0	538.7		465	539	

THE chart to the left and the table above show the number of new family accommodations built in all non-farm communities of the 48 states and the District of Columbia. 1940 is indicated in black and 1941 in red.

Charted below are wholesale building material prices by weeks, as compiled by the Bureau of Labor Statistics. The average of these prices is 99.9% of their 1926 level.



APRIL 26, 1941

EXECUTIVE DIGEST

OF THE CURRENT REAL ESTATE ANALYST REPORTS

REAL ESTATE ANALYSTS, INC.

Real Estate Economists, Appraisers and Counselors

Roy Wenzlick
Editor

VOLUME X

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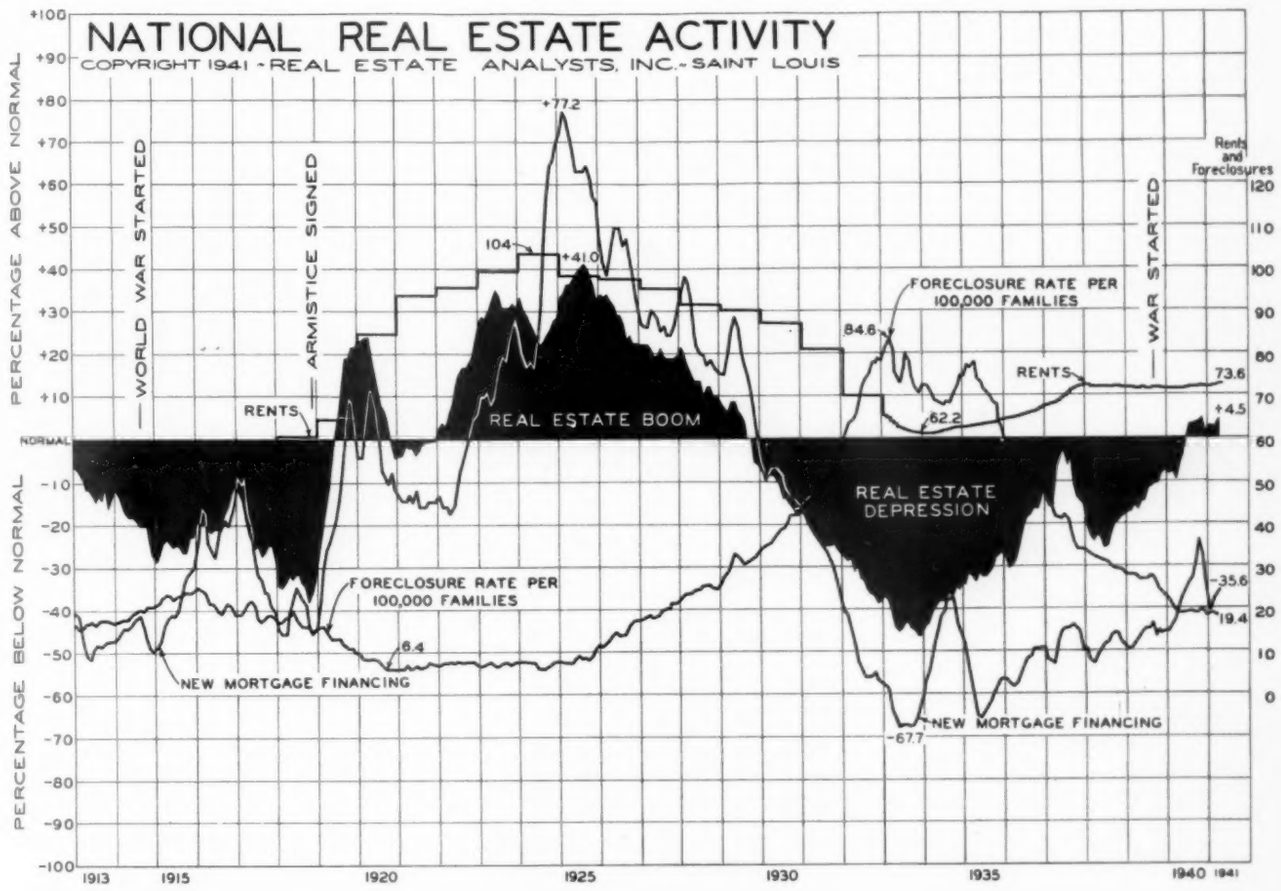

MARCH and April show some acceleration in general real estate conditions in many parts of the United States. It is inevitable that real estate will be affected tremendously by the defense program which up to April 17 had expended $4,121,507,000. This is approximately 1/6 of the expenditures planned according to the latest figures of the Office of Production Management. As the balance of the program gets under way, there should be an accelerated upward movement.

The chart above, which can be used for bringing up to date the long chart published by Real Estate Analysts, Inc., shows that real estate activity has moved sideways above the normal line during the past year--the first time that it has been above normal since 1929. Real estate activity for March was 4.5% above normal. This index is based on the number of voluntary transfers of real estate in non-farm communities.

The number of foreclosures per month per 100,000 families declined from 20.2 to 19.4, the lowest figure since 1926.